



December 6, 2018

Joint City of San Jose/Santa Clara Valley Water District Board
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

RE: Agenda Item: 6. Update on City and District Efforts Regarding Creek Health and Safety Along Waterways

Dear Mayor, Councilmembers, and Board members:

Poseidon Water LLC ("Poseidon"), as the coordinator of one of the shortlisted teams for the Public-Private Partnership ("P3") approach for the Expedited Purified Water Program ("EPWP"), provides these comments on Item 6. Update on City and District Efforts Regarding Creek Health and Safety Along Waterways.

Poseidon Comments

We suggest the formation of a **City of San Jose and Santa Clara Valley Water District Reliable, Clean, Safe Water Partnership** to take a more holistic approach to coordinating and integrating water related endeavors between the City of San Jose and the Santa Clara Valley Water District.

Background

In February of this year the Santa Clara Valley Water District Board voted unanimously to proceed with a Progressive P3 for the EPWP. Through a Request for Qualification ("RFQ") process five P3 teams were shortlisted in April. A technical workshop was held with all P3 teams and meetings with each team was held. At the end of June, the District decided to reschedule meetings with each entity that had been set for July since an agreement with the City of San Jose had not been negotiated and the Countywide Water Reuse Master Plan could identify other potential sites/locations to possibly modify or expand the P3 project scope. In order to maximize the productivity of the District's P3 procurement process, the District determined the best approach to be to further advance project definition before releasing the Request for Proposal ("RFP") at a later date.

Poseidon took advantage of the delay in the RFP process as an opportunity to meet and confer with elected officials, public agency staffs, and other stakeholders. We found that, while there was very little knowledge of the potable reuse program, there was significant interest in developing additional, local, drought-resistant sources of water supply. In discussions with City of San Jose Staff we also found interest in the Progressive P3 approach and a willingness to have the P3 partner engaged early to help guide and define the project.

More than anything, we found that there were several areas where water-related programs and projects involving the City and the District appeared to be opportunities for greater coordination and integration. This Joint meeting highlights the need to work collaboratively on the South San

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Francisco Bay Shoreline Project and on the subject of this agenda item, coordination efforts with respect to creek health and waterway safety issues.

The City of San Jose and the Santa Clara Valley Water District each have significant efforts underway related to water, some of which are already joint efforts:

WATER PLANS/PROGRAMS/PERMITS		
<i>SCVWD</i>	<i>JOINT</i>	<i>CSJ</i>
Water Supply Master Plan	Urban Water Management Plans	Green Stormwater infrastructure Plan
Safe, Clean Water and Natural Flood Protection Plan	Integrated Regional Water Management Plan	Measure T Bond -Environmental Protection -Storm system conveyance -Flood prevention -Clean Water
Groundwater Management Plan	Stormwater Resources Plan	Envision 2014 General Plan
One Water Plan	Municipal Regional Stormwater Permit	Urban Village Plans
Countywide Water Reuse Plan		Complete Streets
P3 Purified Water Program		Climate Smart Plan
		Storm Sewer Master Plan

These water-related efforts require interdepartmental coordination and cooperation within the City and District as well as between the agencies. As evidenced in the status reports for this meeting, there have already been coordination efforts, but the complexity of the issues and their relationships with one another could be addressed with a more integrative and holistic approach.

Integrative and Holistic Approach

In December 2017, there was a San Jose City Council agenda item on alternatives for storm sewer funding to address obligations under the San Francisco Baykeeper Consent Decree, including how to more clearly appraise the support for the recommended funding strategies that require voter approval.

In discussing this item, Mayor Liccardo noted the difficulty of getting a two-thirds vote for a tax increase to fund removal of trash from the creeks. He suggested that merging the program with similar programs would get a better response and spread the benefits. The Mayor went on to comment that the program might be married with programs with related, but not necessarily identical objectives. He used as an example of this approach the expansion of the advance water purification plant married with a clean water program as a drought-resilient, safe and secure water supply measure.

Poseidon's Proposal

In order to foster a more focused and organized approach and further the Mayor's strategy of merging programs with related objectives to get better results and spread the benefits, we would suggest the formation of a **City of San Jose and Santa Clara Valley Water District – Reliable, Clean, Safe Water Partnership**.

One straightforward method to implement such a partnership would be to modify the existing Integration Agreement which created the Recycled Water Policy Advisory Committee. That joint committee currently advises the Board of Directors of the Santa Clara Valley Water District and the City Council of the City of San Jose with respect to policy matters relating to recycled water. However, the Integration Agreement provides that it may be modified by the parties agreeing and approving the modifications in writing. Our recommendation to the City and the District is to modify the agreement to broaden the scope to include stormwater (green infrastructure), potable reuse, flood protection, water supply, and environmental protection of water resources.

This **Reliable, Clean, Safe Water Partnership**, created through modifying the existing Integration Agreement, could provide recognition of both stormwater and wastewater as resources and could further the District's One Water Vision of managing water resources holistically and sustainably to benefit people and the environment in a way that is informed by community values. The partnership would be facilitated by using an existing integration institutional arrangement, the Recycled Water Policy Advisory Committee with its supporting staff Technical Working Group, and repurposing it as a **Reliable, Clean, Safe Water** Policy Advisory Committee.

This proposal could also provide a venue to accomplish the integration of the District's P3 Potable Water Reuse Program with the City's stormwater and water supply programs. The selection of the District's P3 Partner could provide assistance to the Technical Working Group on such an integration effort and resulting projects. It would create an opportunity to connect public-sector water challenges with private-sector resources to provide solutions.

Poseidon will have a representative at the December 12th, 2018 joint meeting to provide comments and to be available for questions.

Sincerely,



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